

## **TITLE 4. CALIFORNIA GAMBLING CONTROL COMMISSION**

### **NOTICE OF PROPOSED RULEMAKING**

#### **“License Renewal and Work Permit Fees”**

The California Gambling Control Commission (“Commission”) proposes to adopt the regulations described below after considering all comments, objections, or recommendations regarding the proposed action.

**PROPOSED REGULATORY ACTION:** The Commission proposes to amend sections 12101 and 12122, and to adopt section 12250 of Title 4 of the California Code of Regulations, concerning license renewal and work permit fees. These regulations were adopted on an emergency basis in August 2003. The current rulemaking action would make these changes permanent.

### **PUBLIC HEARING**

The Commission will hold a public hearing starting at 11 a.m. on Wednesday, February 18, 2004, at 2399 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833-4231. The room is wheelchair accessible. At the hearing, any person may present statements or arguments orally or in writing relevant to the proposed action described in the Informative Digest.

### **WRITTEN COMMENT PERIOD**

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Commission at any time during the 45-day public comment period. To be considered for summary and response, all written comments must be received no later than 5:00 p.m., Wednesday, February 18, 2004 (the day of the public hearing).

Written comments for the Commission’s consideration should be directed to:

Herb Bolz, Senior Legal Counsel and Regulations Coordinator, California Gambling Control Commission, 2399 Gateway Oaks Drive, Suite 100  
Sacramento, CA 95833-4231; Telephone: 916-263-0490, E-mail:  
[hbolz@cgcc.ca.gov](mailto:hbolz@cgcc.ca.gov), FAX 916-263-0452.

## AUTHORITY AND REFERENCE

Authority for the proposed regulations is provided by various provisions of the Gambling Control Act, which may be found in Business and Professions (“B & P”) Code sections 19800--19980. In particular, B &P Code sections 19811, 19823, 19824, 19840, 19841, and 19912.

The reference citations are as follows: the proposed regulations implement, interpret, or make specific B & P Code sections 10, 19800, 19811, 19816, 19823, 19859, 19876, 19912, and 19951.

## INFORMATIVE DIGEST AND POLICY STATEMENT OVERVIEW

The objectives of the regulations are as follows: (1) to gather additional information concerning license applicants by mandating separate, individual applications and (2) to obtain sufficient fees and deposits from license applicants and sufficient fees from work permit applicants to fund essential administrative and investigative functions.

### License Renewals and Fees

Existing law requires persons applying to renew state gambling licenses and key employee licenses to pay an application fee of \$500, and to deposit a sum of money to cover costs incurred by the Division of Gambling Control in conducting background investigations. Existing law provides that associated licenses, such as a key employee license, are “endorsed on” the basic state gambling license certificate that is issued to the owner of the cardroom. Existing law provides that, unless the Commission determines otherwise, the renewal of the underlying owner’s gambling license has the effect of renewing all the associated licenses endorsed on the owner’s license.

In this regulation, the Commission exercises its discretion under the Gambling Control Act to require the applicants associated with an underlying owner’s license (such as key employees, corporate officers, shareholders, partners, etc.) to individually submit separate applications for renewal of their licenses. Currently, the submitted owner’s application

materials contain full information on the owner, but not on associated applicants, such as shareholders. The completed individual applications mandated by this regulation will provide more information up front than is currently available, thus facilitating the background check process by diminishing the need for state staff to request additional, necessary information following review of the initial submission.

### Work Permit Fee Increase

Existing law authorizes the Commission to set work permit fees between \$25 and \$250. The fee is currently set by regulation as \$75.

The proposed regulation would increase the fee to \$250.

### DISCLOSURES REGARDING THE PROPOSED ACTION

**Mandate on local agencies and school districts:** These regulations do not impose a mandate on local agencies or school districts.

**Cost or savings to any state agency:** None.

**Cost to any local agency or school district that must be reimbursed in accordance with Government Code section 17561:** None

**Other non-discretionary cost or savings imposed upon local agencies:** None

**Cost or savings in federal funding to the state:** None

**Cost impact on representative private person or business:** Work permit applicants will be required to pay a \$250 application fee. Applicants for gambling and key employee licenses will be required to submit individual applications and pay a \$500 application fee, plus a background investigation deposit determined by the Division of Gambling Control pursuant to Business and Professions Code section 19867.

**Impact on Business:** The Commission has made an initial determination that the proposed regulatory changes will not have a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

**Significant effect on housing costs:** The Commission has made an initial determination that the proposed regulatory action would not affect housing costs.

**Effect on small business:** The Commission has made an initial determination that the effect these regulations will have on small business will be minor.

## CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5(a)(13), the Commission must determine that no reasonable alternative considered by the Commission or that has otherwise been identified and brought to the attention of the Commission would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

## ASSESSMENT REGARDING CREATION OR ELIMINATION OF JOBS IN CALIFORNIA

The Commission has made an assessment and determined that the adoption of the proposed regulation will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses or create or expand businesses in the State of California.

## CONTACT PERSONS

Inquiries concerning the substance of the proposed action should be directed to:

Herb Bolz, Senior Legal Counsel and Regulations Coordinator, California Gambling Control Commission, 2399 Gateway Oaks Drive, Suite 100  
Sacramento, CA 95833-4231; Telephone: 916-263-0490, E-mail:  
[hbolz@cgcc.ca.gov](mailto:hbolz@cgcc.ca.gov), FAX 916-263-0452.

Requests for a copy of the proposed text of the regulation, the initial statement of reasons, the modified text of the regulation, if any, or other technical information upon which the rulemaking is based should be directed to:

Herb Bolz, Senior Legal Counsel and Regulations Coordinator, California Gambling Control Commission, 2399 Gateway Oaks Drive, Suite 100 Sacramento, CA 95833-4231; Telephone: 916-263-0490, E-mail: [hbolz@cgcc.ca.gov](mailto:hbolz@cgcc.ca.gov), FAX 916-263-0452.

Or:

Susie Hernandez, Regulations Analyst, Telephone: (916) 274-0688, FAX number: (916) 263-0499, e-mail [shernandez@cgcc.ca.gov](mailto:shernandez@cgcc.ca.gov).

#### AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The Regulations Coordinator will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at the office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulation, and the Initial Statement of Reasons. A copy may be obtained by contacting the Regulations Coordinator at the address or telephone number listed above or accessing the Commission's website at <http://www.cgcc.ca.gov>. Upon its completion, the Final Statement of Reasons will be available and copies may be requested from the Regulations Coordinator or viewed on the website.

#### AVAILABILITY OF CHANGED OR MODIFIED TEXT

Following the public hearing, the Commission may adopt the proposed regulation substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the modified text, with changes clearly indicated, will be made available to the public for at least 15 days prior to the date on which the Commission adopts the regulation. Requests for copies of any modified regulation should be sent to the attention of the Regulations Coordinator at the address indicated above. The Commission will accept written comments on the modified regulation for 15 days after the date on which it is made available.